

FISCAL NOTE

HB 275 - SB 271

March 25, 1997

SUMMARY OF BILL: Allows a gas utility district to be sold to a private investor-owned utility, subject to the approval of the county executive or executives. Current law does not allow the sale of a utility district to a private entity. It does allow the merger with another district or sale to a municipality. The bill is permissive.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Revenues - Exceeds \$1,000,000 One-Time / Permissive
- Exceeds \$100,000 Over Time / Permissive

Decrease Local Govt. Revenues - Exceeds \$100,000 / Utility Districts / Permissive
Decrease Local Govt. Expenditures - Exceeds \$100,000 / Utility Districts /
Permissive

Assumes an increase in local government revenues if a gas utility district were sold, from the proceeds of such sale.

The local government would experience increased property tax collections over time, since privately owned utilities are liable for the property tax while utility districts are not.

The estimate also assumes that the local government (utility district) selling such utility district would experience decreased revenues as a result of the cessation of services. Such impact depends upon the service area and customer base.

The estimate also assumes that the local government (utility district) selling such utility district would experience decreased expenditures as a result of the cessation of services. Such impact depends upon the service area and customer base.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director